OHIO UTILITIES COMPANY *v.* PUBLIC UTILITIES COMMISSION OF OHIO.

ERROR TO THE SUPREME COURT OF THE STATE OF OHIO.

No. 210. Argued January 20, 21, 1925.—Decided March 2, 1925.

1. In determining the reproduction value of the plant of a public utility as a basis for fixing its rates, there should be a reasonable allowance for organization and other overhead charges that necessarily would be incurred in reproducing it; and the amount of such allowance is a matter of estimate not dependent on proof of actual expenditures originally made to defray such charges. P. 362.
2. An order of a state commission, affirmed by the state supreme court, fixed rates for an electric company allowing a return of less than 5% upon the value of its property, this result being reached by arbitrarily refusing any allowance for preliminary organization expenses, and by arbitrarily reducing allowances for interest during the construction period, working capital, value of buildings and plant equipment, and operating expenses, below the amounts established as reasonable by the undisputed evidence before the commission, *Held* that the return was so inadequate as to result in depriving the company of property without due process of law; and that the company was not accorded the sort of judicial inquiry to which under the decisions of this Court it was entitled. P. 361.

108 Ohio St. 143, reversed.

ERROR to a judgment of the Supreme Court of Ohio which affirmed an order of the Ohio Public Utilities Commission reducing the rates chargeable by the plaintiff in error for electricity.